

Memorandum

To: Panel Members Date: July 26, 2001

From: Diana Torres, Manager
Peter DeMauro, General Counsel File: pacificcollege.130agr

Subject: One-Step Agreement for **Pacific College**
www.pacific-college.com

CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Job Creation : Training of Unemployed Workers
- Legislative Priorities: Displaced / Potentially displaced workers
- Type of Industry: Services (Medical)
- Repeat Contractor: No
- Union Representation: No
- Name and Local Number of Union representing workers to be Trained: N/A

CONTRACT:

- Program Costs: \$187,500
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$12,000
- Total ETP Funding: \$199,500
- In-Kind Contribution: \$5,500
- Maximum Contractor Charge: \$0 per trainee
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Orange
- Duration of Agreement: 24 months

TRAINING PLAN:

- | | | |
|--|--|----------------|
| • Average Cost Trainee: | New Hire: \$3,990 | Retrainee: \$0 |
| • Type(s) of Training: | Certified Nursing Assistant | |
| • Number to be retained: | New Hire: 50 | Retrainee: |
| • Range of hours: | 250 | |
| • Prevalent hourly wage: | \$10.00 | |
| • Range of hourly wages: | \$10.00 to \$11.00 | |
| • Health benefits used to meet ETP minimum wage: | Yes. Health benefits totaling \$1.00 per hour may be added to the hourly wage for some of the Job 1 trainees to meet the ETP required minimum wage of \$9.62 for Orange County for Calendar Year 2001. | |

SUBCONTRACTORS:

None

THIRD PARTY SERVICES:

Applicant representatives stated that no consultant services were or will be used in this Agreement.

NARRATIVE:

Pacific College was founded in 1994 and now provides new-hire training for Orange County employers including employers in the health care industry. The school's primary training facility is in Costa Mesa, California, and has been approved by the Bureau for Private PostSecondary and Vocational Education to provide training for employers in multiple industries. Pacific College proposes to train in its Certified Nursing Assistant BPPSVE approved Curricula.

Currently, employers in the health care industry face shortages of skilled entry-level Certified Nursing Assistants. To meet the employer demand, the school is requesting assistance from ETP to train 50 New-Hire Certified Nursing Assistants. All Class/Lab training will be provided at the Contractor's facility in Costa Mesa, California. This is the first ETP project for Pacific College.

NARRATIVE: (continued)

The California Health and Human Services Agency (CHHSA) and Employment Development Department (EDD) have determined that employers in the health care industry suffer from significant shortages of skilled workers in many nursing and direct care occupations. In calendar year 2000, the California Department of Health Services revised the formula for calculating the required nursing care provider hours per resident at long-term care facilities (3.0 to 3.2 hours per patient). The California Association of Health Facilities (CAHF) reports that this requires hiring 31,000 health care professionals statewide, many of them Certified Nursing Assistants. Therefore all California long-term care facilities must continue to hire additional nursing care staff. This has been confirmed by Orange County convalescent homes, hospitals, and nursing employment agencies, which regularly call Pacific College requesting graduates of the Certified Nursing Assistant training program.

The 250-hour Certified Nursing Assistant training program will prepare the 50 new-hire trainees for certification by the State of California as Certified Nursing Assistants, who will be part of a health care team in a long-term care facility. The Curriculum is structured to provide theory and practical application of skills needed to function as a Certified Nursing Assistant.

Employer Eligibility for ETP funded training

All participating employers are ETP eligible California employers. Certification statements have been submitted by the participating employers and are available for review by ETP staff at the Contractor's training facility.

The recruitment of participating employers is done through the Pacific College Job Procurement Coordinator, who works with employers who have expressed a need for skilled workers in the medical field. Pacific College placement staff also maintains contact with Orange County employers that have hired program graduates.

Employer Participation in Curriculum Development

The Certified Nursing Assistant Curriculum has been developed with the input of its Nursing Advisory Board. This board is composed of doctors and registered nurses from major Orange county medical facilities. In addition, Pacific College instructors working in the medical field played a major role in providing the instructional content for the curriculum.

The Pacific College Placement Coordinator conducts satisfaction surveys with individual employers that have hired program graduates. The feedback includes information regarding the effectiveness of the training, as well as suggestions for improving school training programs. Questionnaires are mailed to employers on a regular basis to solicit their opinions on the effectiveness of training, as well as through quarterly surveys of previous participating employers.

NARRATIVE: (continued)

Justification for High Cost Training

The proposed Certified Nursing Assistant training totals \$3,990 per trainee based on the 250 hour training Curriculum at the \$15.00 per hour new-hire training reimbursement rate. Pacific College has found that the 250 hours are necessary for the trainee to learn the skills to be able to pass the State of California Certified Nursing Assistant certification exam.

Pacific College reviewed its placement records for calendar year 2000. The placement records showed that the average starting wage for a Certified Nursing Assistant was \$8.75 per hour increasing to \$9.50 per hour after one year. Wages have increased an average of 8 percent for the 48 respondents to the school's placement surveys, with the range of hourly wages being \$10.45 to \$16.00 per hour after one year on the job.

To justify the high cost per trainee for the above groups, Pacific College has agreed to establish the minimum wage after the 90-day employment retention requirement at \$10.00 per hour for Certified Nursing Assistants.

Recruitment of New Hire Trainees

Trainees will be recruited from the local Workforce Investment Board client pool, EDD offices, and participating employers who are invited to speak to trainees regarding employment opportunities with their companies. In meetings with employers, Pacific College has found that Orange County employers in the medical field are willing and able to hire successful program graduates.

In-Kind Contribution

Pacific College states that to bring the New-Hires to full productivity, participating employers will provide these new employees with job-specific on-the-job training. This employer-sponsored training is provided during and after the 90-day employment retention period

The in-kind contribution varies among the participating employers. Pacific College will gather this information and will report on the total in-kind contribution by participating employers at the end of the Agreement.

In addition to the 250 hour Certified Nursing Assistant training, Pacific College provides Job Preparation and Job Search training for the new-hire trainees so that new-hire trainees are successful in their employment with participating employers. This training includes resume writing, cover letters, how to interview successfully, and appropriate workplace behaviors. Pacific College has found over the years, that this training is necessary for the new-hire trainees to successfully obtain employment and to remain employed. Pacific College projects that they will incur costs of approximately \$5,500 for this training, which is an in-kind contribution by Pacific College.

COMMENTS:

Class Mix: Classes will be comprised of 100 percent ETP trainees.

PROPOSED ACTION:

Staff recommends that the Panel approve this One-Step Agreement, if it determines that the project meets Panel priorities. This recommendation is based on the fact that Pacific College will provide 50 currently unemployed individuals with the skills to attain jobs as Certified Nursing Assistants, which have career mobility in this growing industry in Orange County.

Training Data									(c) Payment Schedule				
1	2	3	4	5 (a) Cls/Lab Video- conf. Hours	6 CBT Hours	7 (b) SOST Hours	8 Cost Per Trainee	9 Total SOST Trainer Hrs.	10 Hrs. to Enroll/ Pay 1 Enroll	11 Pay 2 Compl	12 Pay 3 Hired	13 Pay 4 After 90/120 Days	14 (d) Wage After Reten- tion
Job #	Occupations	Type of Training	No. Retain										
1	Certified Nursing Assistant	Multiple Employers New Hires	50	250			\$3,990		8	\$ 997.50	\$ 997.50	\$ 997.50	\$ 997.50
687		<i>Certified Nursing Assistant training</i>		250									

*\$10.00 -

\$11.00

Contract Totals

Program Cost		\$187,500	Total to be Retained	50
Substantial Contribution (-0-%)	(-)	\$0		
Multiple-Empl. Support (8%)	(+)	\$12,000		
TOTAL ETP Funding	(=)	\$199,500		

(a)Advanced Technology must be provided as class/lab.

(b)Figures for calculation purpose only.

(c)For Welfare to Work: Pay 2=50% Completion hrs. Pay 3=100% Completion hrs.

(d)Wages by occupation on Comment Page.

Turnover Rate	% of Mgrs. & Sups. to be trained		Health Benefits Inc. in Wage?		
N/A	N/A		Yes		

Location of training: All Class/Lab training will be provided at the Contractor's training facility in Costa Mesa, CA.

Ratios: The ratio of trainers to trainees for Class/Lab training shall not exceed 1:15.

If Health Benefits is "YES", please explain:

*Health benefits totaling \$1.00 per hour ($\$9.00 + \$1.00 = \10.00) may be added to the hourly wage for some of the Job 1 trainees to enable them to meet the ETP-required minimum wage after retention of \$9.62 per hour for Orange County for Calendar Year 2001.

Other notes:

(d) Wages by Occupation after retention:

<u>Occupations</u>	<u>Wage Range</u>
Certified Nursing Assistant	*\$10.00 - \$11.00

**Participating Employers in New-Hire
Multiple Employer (MEC) Agreements
(ETP 100B)**

Contractor's Name: Pacific College

CCG No.: ET02-0108

Reference No: 01-0388

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PRINT OR TYPE

Company: Brighton Gardens

Address: 17803 Imperial Highway

City, State, Zip: Yorba Linda, CA 92886

Contact Person/Title: Vincent Rucireta, General Manager

Telephone No.: (714) 777-9666

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 1,500

Estimated #of employees to be retrained or hired under this Agreement: 15

Company: Lake Forest Nursing Center

Address: 25652 Old Trabuco Road

City, State, Zip: Lake Forest, CA 92630

Contact Person/Title: Daizel Gasperian, Executive Director

Telephone No.: (949) 380-9380

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 149

Estimated # of employees to be retrained or hired under this Agreement: 20

Company: Buena Vista Healthcare Center

Address: 1440 South Euclid Avenue

City, State, Zip: Anaheim, CA 92802

Contact Person/Title: William K. Schifferlli, Administrator

Telephone No.: (714) 535-7264

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 110

Estimated # of employees to be retrained or hired under this Agreement: 3

Company: <u>Brighton Gardens</u>
California Employer Account Number (CEAN): <u>4</u> <u>0</u> <u>1</u> - <u>1</u> <u>2</u> <u>0</u> <u>1</u> - <u>3</u>
Company: <u>Buena Vista Healthcare Center</u>
California Employer Account Number (CEAN): <u>3</u> <u>7</u> <u>0</u> - <u>7</u> <u>9</u> <u>9</u> <u>7</u> - <u>7</u>
Company: <u>Lake Forest Nursing Center</u>
California Employer Account Number (CEAN): <u>3</u> <u>5</u> <u>6</u> - <u>9</u> <u>7</u> <u>4</u> <u>5</u> - <u>7</u>
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